

# **ADP ALLOCATION METHODOLOGY: CURRENT AND HISTORICAL PRACTICES**

**FY 1997-1998**

## **ADDENDUM**

### **PART I - OVERVIEW**

For FY 1997-1998, CADPAAC, DAC, Policy Forum, and the Department agreed upon a single methodology for allocation of all new funds. All new funds will be distributed at \$2,500 per each million to all counties, with the balance allocated 50% per capita and 50% equity step-up, with the exception of funds with specific requirements (e.g., Supplemental Security Income/ Drug Addiction or Alcoholism, SSI/DA/A)

### **PART II - STATE GENERAL FUNDS**

- A contingency reserve fund of \$5 million was established from reappropriated funds to manage unanticipated Drug Medi-Cal (DMC) costs.
- MBA counties received amounts equal to their FY 1993-1994 State General Fund (SGF) allocations or their DMC needs, whichever was greater.
- Non-MBA counties received allocations equal to their DMC needs proportionate to the ratio of their final FY 1996-1997 SGF DMC contracts.
- The remaining SGF was allocated to counties based on each proportion of loss to its FY 1993-1994 SGF allocation.
- \$1.8 million in one-time reappropriated funds was allocated to counties based on each county's proportion of loss to its FY 1993-1994 SGF allocation.
- Additionally, \$1.4 million of reappropriated funds were allocated to counties for costs incurred in connection with serving D/MC beneficiaries from other counties. These funds were allocated by the following method: The difference was determined between what a county spent for out-of-county residents using their DMC services and subtraction from another county providing out-of-county services for that particular county.

## **Perinatal SGF**

- The overall statewide Perinatal DMC allocation was decreased by Legislative action to reflect the increase in Medicaid Federal Financial Participation(FFP). First, each county receives its Perinatal DMC need proportionate to final

FY 1996-97 DMC contract. Second, any funds needed for transitional living is allocated. Third, the remaining funds are allocated based on last year=s allocation amount. Fourth, the Perinatal DMC is adjusted to reflect the increase in FFP and corresponding decrease in SGF. The Perinatal SGF reduction is applied to counties with unused Perinatal DMC SGF transferred to NNA at the end of the fiscalyear on a proportionate basis.

- Alpine County elected not to receive Perinatal SGF .